

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Petition by the Colorado Public Utilities Commission,	)	
Pursuant to 47 C.F.R. § 54.207(c), for Commission	)	
Agreement in Redefining the Service Area of	)	
CenturyTel of Eagle, Inc., A Rural Telephone Company	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	

**COMMENTS OF WESTERN WIRELESS CORPORATION**

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**COMMENTS OF WESTERN WIRELESS CORPORATION**

Western Wireless Corporation (“Western Wireless”), by counsel, hereby submits its initial comments in response to the Public Notice in this matter, DA 03-26 (released Jan. 7, 2003). Western Wireless urges the Commission to reject the application for review filed by CenturyTel of Eagle, Inc. (“CenturyTel”) challenging the Wireline Competition Bureau’s approval of the redefinition of its service area. 1/

**INTRODUCTION AND EXECUTIVE SUMMARY**

The Colorado PUC has concluded that Western Wireless offers and advertises all the services required under the statute and rules governing Eligible Telecommunications Carriers (“ETCs”) in certain parts of the state. Accordingly, the Colorado PUC designated Western Wireless as an ETC in portions of

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1/ Western Wireless incorporates by reference its *ex parte* comment in support of the Colorado PUC petition to redefine the CenturyTel service area (CC Docket No. 96-45, filed Oct. 4, 2002). For the convenience of the Commission and the parties, that comment is attached.

Colorado. 2/ Now that Western Wireless has received ETC designation, it is beginning to bring real competitive choices to rural Colorado consumers who, until recently, had no alternatives to the incumbent local exchange carriers (“ILECs”) for basic telephone service.

However, Western Wireless has not yet obtained ETC designation in any area served by CenturyTel, because Western Wireless cannot provide the required services “throughout the service area,” which, given CenturyTel’s “rural telephone company” status, coincides with CenturyTel’s historic “study area.” 47 U.S.C. § 214(e)(1) & (5). Western Wireless’ licensed cellular service area overlaps with 28 of CenturyTel’s 53 wire centers, which are scattered in non-contiguous locations across the state. The 28 CenturyTel wire centers that Western Wireless is capable of serving include both wire centers that CenturyTel categorizes as relatively “low-cost” and those that it categorizes as high-cost. 3/

Now that the Colorado PUC’s well-reasoned decision to redefine CenturyTel’s service area has been confirmed by the FCC, pursuant to Section 214(e)(5) of the Act and Section 54.207(c) of the Commission’s rules, Western Wireless is capable of applying for ETC designation in the CenturyTel wire centers

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2/ Western Wireless Holding Co., Inc.’s Application for Designation as an Eligible Telecommunications Carrier Pursuant to 4 CCR 723-42-7, Docket No. 00A-171T, Decision on Exceptions, Decision No. C01-476, (Co. PUC, Mar. 14, 2001) (“*Western Wireless ETC Designation Order*”). Western Wireless has also received ETC designation in 13 other states.

3/ See the map comparing the CenturyTel of Eagle exchanges in Colorado versus the Western Wireless cellular coverage area, attached to the Colorado PUC Reply Comments (Reply Attachment 2) (filed Sept. 27, 2002, CC Docket No. 96-45).

that it serves. Western Wireless plans to file with the Colorado PUC an application to be designated as an ETC in those 28 CenturyTel wire centers in the near future.

In these comments, we demonstrate that redefining the service areas of CenturyTel, as proposed by the Colorado PUC, will advance the public interest and will benefit rural consumers by promoting both universal service and local competition. Next, we show that CenturyTel's objections to the Section 54.207(c) procedure must fail. Finally, we explain that the Commission should disregard the rural ILECs' objections to the established policies relating to competitive universal service, as well as other matters that are irrelevant to the issues presented for decision.

## **I. THE COLORADO PUC'S REDEFINITION OF RURAL ILEC STUDY AREAS ADVANCES THE PUBLIC INTEREST**

The FCC should cooperate with the Colorado PUC's worthwhile efforts to overcome the artificial regulatory barriers to competition posed by pre-existing rural telephone company "study areas" that include widely scattered, non-contiguous wire centers. The Colorado PUC has reasonably analyzed the issue and concluded that rural telco study areas should be redefined in order to avoid precluding prospective competitors from seeking ETC status and depriving rural consumers of the benefits of competition. As the Colorado PUC concluded, service area redefinition is particularly beneficial when, as here, the rural telcos have taken

advantage of the opportunity to target different amounts of universal service support to different wire centers, pursuant to “Path Three” of the FCC’s rules. 4/

The Commission has long recognized the difficulty presented by non-contiguous “study areas” such as CenturyTel’s pre-existing study area in Colorado, and has encouraged state commissions to do exactly what the Colorado PUC did:

We also conclude . . . that universal service policy objectives may be best served if a state defines rural service areas to consist only of the contiguous portion of a rural study area, rather than the entire rural study area. We conclude that requiring a carrier to serve a non-contiguous service area as a prerequisite to eligibility might impose a serious barrier to entry, particularly for wireless carriers. We find that imposing additional burdens on wireless entrants would be particularly harmful to competition in rural areas . . . . Therefore, we encourage states to determine whether rural service areas should consist of only the contiguous portions of an ILEC’s study area, and to submit such a determination to the Commission according to the procedures we describe above. 5/

The Commission should support the Colorado PUC’s efforts to both advance universal service and promote competition by removing the barrier to entry posed by the pre-existing CenturyTel study area definition.

There is no merit to CenturyTel’s unfounded allegation that the Colorado PUC’s redefinition of its study area “will encourage carriers to engage in

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4/ Petition by the Colorado Public Utilities Commission, Pursuant to 47 CFR § 54.207(c), for Commission Agreement in Redefining the Service Area of CenturyTel of Eagle, Inc., a Rural Telephone Company (filed Aug. 6, 2002 in CC Docket No. 96-45) (“COPUC Petition”) at 10-11. See also, 4 CCR 723-42-10 and -11; 47 C.F.R. § 54.315(d).

5/ *Federal-State Joint Board on Universal Service*, First Report and Order, 12 FCC Rcd 8776, 8882-83, ¶ 190 (1997) (“*First Report and Order*”) (footnotes omitted), *aff’d*, *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999), *subsequent history omitted*.

cherry picking of CenturyTel’s best least-cost, highest-profit customers.” 6/ The Colorado PUC specifically designed its rules to preclude this possibility, by requiring study area redefinition only for rural telcos that had exercised their opportunity to disaggregate and target support under the federal rules. 7/ Moreover, as noted above, Western Wireless seeks to serve all CenturyTel wire centers included in its licensed cellular footprint – which includes both some of the high-cost and some of the low-cost CenturyTel wire centers (and *excludes* both some of the high-cost and some of the low-cost CenturyTel wire centers). The Act requires all ETCs to provide service to all customers in the service area for which they have been designated, and Western Wireless seeks ETC designation to serve *all* customers where it is licensed to serve.

In the final analysis, the rural telcos’ repeated allegations of “cherry picking” and “cream skimming” are like the Aesop’s fable about the boy who cried “wolf.” The rhetoric may sound so impressive to the telcos that they are tempted to repeat it again and again. But the total lack of factual basis for the “cherry picking” argument means that ultimately both the complaint and the complainers must lose credibility. 8/

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6/ CenturyTel Application for Review (Dec. 17, 2002) at 9-10.

7/ See COPUC Petition at 9-10.

8/ CenturyTel argues that “the lack of facilities does not preclude CETCs from serving the ILEC’s entire study area” because “the Act permits CETCs to receive support for services provided through a combination of facilities-based service and resale.” CenturyTel Application for Review at 10. This argument is simply wrong; “a carrier that serves customers by reselling wholesale service may not receive universal service support for those customers that it serves through resale alone.” *First Report and Order*, 12 FCC Rcd at 8873, ¶ 174.

## II. THE COMMISSION IS OBLIGATED TO FOLLOW THE PROCEDURE ESTABLISHED IN SECTION 54.207(c) OF THE RULES.

The Commission must reject CenturyTel's procedural challenges to the Wireline Competition Bureau's decision, pursuant to the procedures established in Section 54.207(c) of the Commission's rules, to concur with the Colorado PUC's redefinition of its service area. Fundamentally, CenturyTel disagrees with the Commission's policy decision in 1997 to establish a streamlined procedure for obtaining both state commission and FCC assent to the redefinition of rural telco service areas. <sup>9/</sup> But that procedure was adopted through a valid rulemaking proceeding by the Commission and was upheld by a federal court; it cannot be challenged in a case-specific proceeding such as this. As a matter of law, the Commission is obligated to follow the procedure set forth in the established rule. State commissions, prospective entrants, and consumers are entitled to rely on the rule as it stands.

In 1997, based on the recommendation of the Joint Board, <sup>10/</sup> the Commission adopted the Section 54.207(c) process for establishing a service area definition different from a rural telco's study area. The Commission reasoned that this process would facilitate both state commissions' and the FCC's review of proposals consistent with Section 214(e)(5) of the Act, while also "minimiz[ing]

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<sup>9/</sup> CenturyTel Application for Review at 4-5 (arguing that the FCC rule adopted in 1997 conflicts with the statute).

<sup>10/</sup> *Federal-State Joint Board on Universal Service*, Recommended Decision, 12 FCC Rcd 87, 179-181, ¶¶ 172-78 (Jt. Bd. 1996) (recommending that, in general, rural telcos' historic study areas should serve as their "service areas" for purposes of designating additional ETCs, but also recognizing that unreasonably large service areas could pose barriers to entry that would not be competitively neutral or necessary to preserve and advance universal service).



administrative delay.” <sup>11/</sup> Certain state commissions raised challenges to Section 54.207 of the rules before the U.S. Court of Appeals for the Fifth Circuit, making arguments strikingly similar to CenturyTel’s, including the contention that a specific Joint Board decision was needed for each rural telco service area redefinition. The Fifth Circuit flatly rejected those arguments and upheld the rule. <sup>12/</sup>

Given the Fifth Circuit decision turning away the challenge to this rule, the rural ILECs are precluded from challenging the rule, under the doctrine of “issue preclusion.” <sup>13/</sup> Moreover, CenturyTel’s stated opposition to the rule here is tantamount to a request for reconsideration of this 1997 rule – a request that is barred by the Act and the FCC’s rules governing out-of-time reconsideration petitions. <sup>14/</sup> Notwithstanding CenturyTel’s protestations, the Commission cannot make a fundamental change like the one CenturyTel seeks in a quasi-adjudicatory proceeding like this one.

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<sup>11/</sup> *First Report and Order*, 12 FCC Rcd at 8881, ¶ 188; 47 C.F.R. § 54.207.

<sup>12/</sup> *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d at 419 (state commissions lacked standing to challenge the rule because their “independent ability to veto particular service areas seems to provide them with a substantial amount of ‘meaningful participation,’ ” consistent with Section 214(e)(5) of the Act).

<sup>13/</sup> *Qwest Corp. v. FCC*, 252 F.3d 462 (D.C. Cir. 2001).

<sup>14/</sup> 47 U.S.C. § 402(a), (c); 47 C.F.R. §§ 1.429(d); *see also, e.g., Implementation of the AM Expanded Band Allotment Plan*, MM Docket No. 87-267, Memorandum Opinion and Order, 13 FCC Rcd 21872, 21873-74, ¶ 6 (1998) (denying petition for reconsideration because “the Commission previously considered and rejected every argument raised . . . in [the] Petition” so “the time to reconsider [the] issue [had] long since passed” and any “effort to seek further reconsideration of [the] same issues at a latter stage of the same proceeding” was improper).

CenturyTel is wrong in implying that the Commission always issues an affirmative written decision in contested proceedings. To the contrary, the Commission maintains a number of streamlined application procedures in which an application is deemed granted unless the Commission takes action within a specified time period – and the Commission recently stressed that the streamlined process generally will be allowed to proceed even if such applications are contested. <sup>15/</sup> Moreover, CenturyTel is simply wrong when it asserts that the Commission “declined to find that proposals similar to COPUC’s would serve the public interest.” <sup>16/</sup> To the contrary, the Commission has an extensive track record of granting rural telco service area redefinition proposals comparable to those at issue here. <sup>17/</sup>

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<sup>15/</sup> See, e.g., *1998 Biennial Review – Review of International Common Carrier Regulations*, 14 FCC Rcd 4909, 4912-13, ¶ 9 (1999) (“[W]e modify our streamlined process by eliminating the current requirement that streamlined applications be removed from streamlining in the event an opposition is filed.”); accord, *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, 17 FCC Rcd 5517, 5527 n.39 (2002).

<sup>16/</sup> CenturyTel Application for Review at 5.

<sup>17/</sup> See, e.g., *Smith Bagley, Inc. Petitions for Agreement to Redefine the Service Area of CenturyTel of the Southwest, Inc. in the State of New Mexico*, Public Notice, DA 02-602 (rel. Mar. 15, 2002); *Smith Bagley, Inc. Petitions for Agreement to Redefine the Service Area of Navajo Communications Company, Citizens Communications Company of the White Mountains, and CenturyTel of the Southwest, Inc. On Tribal Lands Within the State of Arizona*, Public Notice, DA 01-409 (rel. Feb. 15, 2002). CenturyTel misleadingly cites the Commission decision not to adopt the Competitive Universal Service Coalition (“CUSC”) proposal that study areas be automatically disaggregated for ETC designation purposes whenever they are disaggregated for purposes of targeting support. CenturyTel Application for Review at 5-6. But in the decisions cited by CenturyTel, the Commission did not express any disagreement with the concept that the public interest would favor coordination between disaggregation of study areas for purposes of targeting funding and for purposes of ETC designation. To the contrary, as CenturyTel admits, the Commission generally supported coordination of such decisions. *Id.*, citing *Federal-State Joint Board on Universal Service*, Fourteenth Report and Order, 16 FCC Rcd 11244, 11308-09, ¶ 164 (2001). Rather, the Commission interpreted the CUSC proposal as requiring *automatic* disaggregation of rural telco service areas, and declined to adopt the proposal on the basis that, unlike the existing procedure under Section 54.207 of the rules, such a procedure

Most significantly, the FCC's rules enable rural ILECs to redefine the manner in which federal support is distributed within the areas they serve using a process in which no regulatory action is needed. <sup>18/</sup> This degree of streamlining is even more automatic than the streamlined decision process at issue here.

CenturyTel is deeply hypocritical in utilizing and benefiting from that streamlined process of disaggregating its study areas for purposes of targeting support, but challenging a very similar process that it dislikes. The Commission must dismiss CenturyTel's challenges to the Section 54.207(c) process.

### **III. THE COMMISSION SHOULD DISREGARD THE ILECs' IRRELEVANT ARGUMENTS OPPOSING COMPETITIVE UNIVERSAL SERVICE**

CenturyTel and its allies raise a number of misplaced arguments that the Commission should disregard. First, the rural ILECs raise a variety of general arguments opposing competition in the universal service arena. For example, they oppose the rule requiring that all support be portable (*i.e.*, that competitive ETCs receive the same per-line support as ILECs in each geographic area); they object to the existing rule requiring the use of mobile wireless customers' billing addresses to identify their service locations; they contend that wireless carriers' service offerings do not comply with the ETC criteria; and they assert that the increasing demands on universal service support from competitive ETCs is causing growth of the fund

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would not comply with Section 214(e)(5) of the Act. *See Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Order on Reconsideration, 17 FCC Rcd 11472, ¶ 17 (2002).

<sup>18/</sup> See 47 C.F.R. § 54.315(d)(3).

that may not be commensurate with the public interest benefits. 19/ Western Wireless disagrees strongly with each of these anti-competitive arguments. For present purposes, however, suffice it to say that these arguments have absolutely no relevance to the issue presented for decision in this proceeding – the propriety of redefining the CenturyTel study area in Colorado.

CenturyTel also raises arguments about the propriety of designating additional ETCs in its study areas. 20/ But again, this proceeding relates only to the scope of the study area – not to the merits of designating Western Wireless, Northeast Colorado Cellular (“NECC”), or any other entity as ETCs. The merits of designating carriers as ETCs will be presented to the Colorado PUC in due course, and there is no foundation in the record here – and no legal basis – for the FCC to address the issue in this proceeding. The Colorado PUC must examine each ETC application on its own merits, consistent with the statute. Moreover, the Colorado PUC has an excellent track record demonstrating that it seriously applies the ETC criteria, including the “public interest” determination that applies in rural telco study areas. 21/

Finally, the FCC should categorically reject the rural ILECs’ nonsensical and anti-competitive argument that every regulatory process relating to

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19/ See e.g., CenturyTel Application for Review at 9-10; Comments of Delta County Tele-Comm, Inc. and the Colorado Telecommunications Association (filed Oct. 15, 2002 in CC Docket No. 96-45) at 7; Comments of the National Telecommunications Cooperative Association (filed Sept. 27, 2002 in CC Docket No. 96-45) at 5-6; Comments of NRTA, OPASTCO, Western Alliance and CTA (filed Sept. 27, 2002 in CC Docket No. 96-45) at 9-12.

20/ See CenturyTel Application for Review at 9-10.

21/ See, e.g., *Western Wireless ETC Designation Order*.

competitive ETCs should be put on ice until the Federal-State Joint Board completes its comprehensive consideration of the competitive universal service issues recently referred by the Commission. 22/ The only rules and procedures the Commission can implement are those in place today. It would be unlawful for the Commission to do otherwise.

## CONCLUSION

For the reasons stated above, the Commission should reject the CenturyTel application for review of the Bureau's decision to concur with the Colorado PUC redefinition of the CenturyTel service area.

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22/ See, e.g., CenturyTel Application for Review at 11; Comments of NRTA, OPASTCO, Western Alliance and CTA at 14-15; see also *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, FCC 02-307, ¶¶ 6, 10 (released Nov. 8, 2002) (referring competitive universal service issues to the Joint Board).

Respectfully submitted,

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**EX PARTE COMMENTS OF WESTERN WIRELESS CORPORATION**

Western Wireless Corporation (“Western Wireless”), by and through their undersigned counsel, respectfully submits these Ex Parte Comments in support of the Petition filed by the Colorado Public Utilities Commission (“COPUC”) in the above-referenced docket. The Petition removes a significant barrier to entry into the universal service market by establishing a competitively-neutral mechanism for disaggregating the service area and universal service support for CenturyTel of Eagle, Inc. (“CenturyTel”). Accordingly, the Commission should approve the Petition or simply take no further action and allow COPUC’s proposed disaggregation plan to become effective.

**I. FACTUAL BACKGROUND**

Western Wireless is a provider of Commercial Mobile Radio Service (“CMRS”) within a portion of CenturyTel’s currently-defined service area. Approval of COPUC’s Petition is a necessary precursor to Western Wireless’ entry into the universal service market in a portion of CenturyTel’s service area. Section 214(e)(2) of the Communications Act of 1934, as amended, requires state commissions to approve ETC applications only if the applicant can serve customers “throughout the service area” for which the application is sought. Because Western

Wireless does not provide service throughout CenturyTel's service area, it is foreclosed from seeking designation as an ETC in CenturyTel's service area, unless the service area is disaggregated as proposed by the COPUC. The Petition has been filed by the COPUC after careful deliberations in a disaggregation proceeding,<sup>1</sup> and is consistent with the requirements of the Act and the Commission's rules.

CenturyTel, along with and through industry associations that represent the interests of rural telephone companies, oppose the Petition, consistent with their more general attempts to maintain control over the local telephone market and prevent competition within their service areas. The Commission and the COPUC have established rules that enable competitive entry into the universal service market, and thereby allow rural consumers to enjoy the benefits of competition. With respect to CenturyTel exchanges in Colorado, only two steps remain: 1) approval of this Petition; and 2) certification of ETCs to serve the disaggregated service areas.

The COPUC has taken the first step by proposing disaggregation of CenturyTel's service area in this Petition, and the COPUC Staff has made a preliminary recommendation that the COPUC certify Western Wireless as an ETC in certain CenturyTel disaggregated service areas.<sup>2</sup> It is now up to this Commission to take the final step required to enable rural consumers of Colorado to realize the benefits of a competitive telecommunications market.

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<sup>1</sup> See COPUC Docket No. 01R-434T, *In the Matter of the Proposed Amendments to the Rules Concerning the Colorado High Cost Support Mechanism*, 4 CCR 723-41, and the Rules Concerning Eligible Telecommunications Carriers, 4 CCR 723-42, Decision No. C02-319, Ruling on Exceptions and Order Vacating Stay (Mailed: March 18, 2002) ("COPUC Disaggregation Decision") at 3: ("...the primary purpose of this proceeding is to modify our rules to make them consistent with new regulations adopted by the [FCC].")

<sup>2</sup> See COPUC Docket No. 00K-255T, *In the Matter of Western Wireless Holding Co., Inc.'s Application for Designation as an Eligible Telecommunications Provider Pursuant to 4 CCR 723-41-8; In the Matter of Western Wireless Holding Co., Inc.'s Application for Designation as an Eligible Telecommunications Carrier Pursuant to 4 CCR 723-42-7*, Decision No. R01-19, Recommended Decision of Administrative Law Judge Ken F. Kirkpatrick Accepting Stipulation and Granting Applications (Mailed: January 8, 2001) ("WWC ETC Decision"). The WWC ETC Decision approved a stipulation between Western Wireless, the Office of Consumer Counsel, and the COPUC Staff which detailed the parties' recommended approval of Western Wireless' ETC application for certain CenturyTel wire centers upon approval of the COPUC's Disaggregation Petition.



Realizing that their policy arguments have been rejected, and that their monopoly stranglehold on rural areas of this country is slipping away, CenturyTel and the associations representing rural telephone companies in general have opposed the COPUC Petition with unfounded legal reasoning and desperate “death spiral” claims that cannot be substantiated.<sup>3</sup> Western Wireless agrees with the Reply Comments filed by N.E. Colorado Cellular and the COPUC, which refute the claims of CenturyTel and other local exchange carriers (“LECs”) and their associations (collectively, the “Rural Commenters”). In these Ex Parte Comments, Western Wireless establishes that the COPUC’s method and manner of classifying each individual wire center in CenturyTel’s study area as a separate service area will promote the federal and state goals of encouraging competition in the telecommunications marketplace and extending basic telecommunications service to all Americans.

## **II. DISAGGREGATION OF CENTURYTEL’S SERVICE AREA WILL ENSURE SUPPORT IS TARGETED TO HIGH-COST AREAS**

In their opposition to the Petition, the Rural Commenters rely heavily on the unsupported allegation that competitive ETCs will “cream skim” lower cost areas within CenturyTel’s disaggregated service area – an allegation that overlooks the fact that ETCs are required to serve the entire service area for which they are designated, *i.e.*, entire wire centers in the disaggregation plan designed by the COPUC. CenturyTel further ignores the fact that it elected to disaggregate its universal service support into two cost zones that cut across multiple wire centers, and not on a wire center basis, purportedly based upon its costs. Now, in opposition to the COPUC Petition, CenturyTel apparently believes that its disaggregation of universal service support was not cost-based, but presumably based upon some arbitrary division of its service

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<sup>3</sup> See, *Decision on Exceptions*, (Mailed Date May 4, 2001), where the COPUC stated that “CTA presented no evidence of any adverse impact on the rural ILECs as a result of granting Western Wireless’ Applications here.” Page.16. CenturyTel is a member of the Colorado Telecommunications Association (“CTA”).

area. CenturyTel's contradictory positions put into question its *modus operandi* in how it has disaggregated universal service support and why it is now strongly opposing the COPUC Petition. Nonetheless, the COPUC has put forth a competitively neutral mechanism for disaggregating the service area of CenturyTel. CenturyTel had the opportunity to more narrowly target support to the most high-cost areas if it felt that averaging support over two cost zones, as opposed to individual wire centers, would provide competitive ETCs an opportunity for arbitrage.

Cream skimming and arbitrage arguments have been the arguments of telephone monopolists for years, but yet these same monopolists are vociferous proponents of maintaining implicit support built into their rates and support levels. Under the Commission's rules, CenturyTel can choose from three different disaggregation paths for the purpose of targeting high-cost universal service support.<sup>4</sup> CenturyTel disaggregated into only two cost zones for the purpose of receiving high-cost support,<sup>5</sup> areas that appear to be calculated primarily to resist competition. Due to the sprawling nature of the two zones,<sup>6</sup> it would be impossible for the COPUC or the Commission to use them as Service Areas for the designation of ETCs. To do so would be to foreclose any possibility of competition from any carrier in the current marketplace. In short, CenturyTel has gambled that this Commission will accept its arguments about cream skimming (based on disaggregation zones that it unilaterally created) and prevent the redefinition of its service area in a manner that would make competition possible. CenturyTel

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<sup>4</sup> 47 C.F.R. § 54.315.

<sup>5</sup> Western Wireless believes that a CenturyTel's self-certified disaggregation plan violates a reasonable reading of 47 C.F.R. § 54.315. Path 3, detailed in subsection (d)(1) requires a self-certified plan that disaggregates support "[i] to the wire center level; or ... [(ii)] into no more than two cost zones per wire center." CenturyTel's disaggregation plan calls for only two zones in the entire state of Colorado. The clear intent of the rule was to allow ILECs to self-certify so long as their plan disaggregated to *at least* the wire center level. To read subsections (i) and (ii) otherwise would be to strip the entire rule of any meaning. If CenturyTel's reading and application of subsection (ii) is accepted, the rule effectively allows ILECs to self-certify any disaggregation plan they wish.

<sup>6</sup> See Reply Comments of COPUC, Reply Attachments 1-3.

and other Rural LECs should not be permitted to unilaterally gerrymander the universal service system to prevent competition in their service area.

Finally, CenturyTel, as a member of CTA, was on notice that the COPUC intended to disaggregate the Company's service area in a manner that facilitates competitive entry.<sup>7</sup>

## **PUBLIC INTEREST**

The FCC, with the concurrence of the Joint Board, established procedures for the disaggregation of service areas that advance and protect the public interest by both facilitating the introduction of competitive alternatives in rural areas, to the benefit of rural consumers, while also ensuring that all ETCs serve the entirety of a reasonably defined geographic area.<sup>8</sup> The FCC has also approved, as consistent with the public interest, state disaggregation plans very similar to the CO PUC plan at issue here.<sup>9</sup> In this case, the COPUC has carefully considered the public interest in developing the re-definition contained in its Petition. In 2000, Western Wireless initiated a proceeding to be certified as an "Eligible Provider" (EP) under COPUC rules and an ETC. This was a contested proceeding in which all interested parties, including CenturyTel, had a right to be heard. After designating Western Wireless as an EP, the COPUC, in its Decision on Exceptions, deferred designating Western Wireless as an ETC pending approval of service area changes by the FCC.<sup>10</sup> The COPUC later initiated a general rulemaking

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<sup>7</sup> In fact, *The Stipulation and Settlement Agreement In the Matter of the Applications of Western Wireless Holding Co., Inc's Application for Designation as an Eligible Telecommunications Carrier Pursuant to 4 CCR 723-42-7 and as an Eligible Telecommunications Provider Pursuant to 4 CCR 723-42-8 ("Stipulation")*, (Docket Nos. 00A-174T and 00A-171-T, respectively) (Dated November 14, 2000), proposed that the COPUC conduct proceedings to disaggregate all ETC study areas in the state, especially those study areas not addressed in the Stipulation itself. CTA filed exceptions to those proposals, as cited on Page 23 of the *Decision on Exceptions*.

<sup>8</sup> *Federal-State Joint Board on Universal Service*, First Report and Order, 12 FCC Rcd 8776, ¶¶ 186-91 (1997) (subsequent history omitted); 47 C.F.R. § 54.207(c).

<sup>9</sup> E.g., *Petition for Agreement with Designation of Rural Company Eligible Telecommunications Carrier Service Areas and for Approval of the Use of Disaggregation of Study Areas for the Purpose of Distributing Portable Federal Universal Service Support*, 15 FCC Rcd 9921 (Com. Car. Bur. 1999).

<sup>10</sup> In the *Decision on Exceptions*, COPUC understood that Western Wireless could not serve CenturyTel's entire service area, and that both COPUC and the FCC must approve the revised service areas that Western Wireless proposed. (Page. 25).

proceeding on disaggregation,, in which all interested parties had the right to present their views, and the public interest was considered.<sup>11</sup> As a result of the Western Wireless ETC proceeding, changes in COPUC rules were adopted.<sup>12</sup> The present Petition by the COPUC is consistent with prior FCC decisions<sup>13</sup>, the COPUC's own decisions<sup>14</sup> and resulting rules<sup>15</sup> and the general policy of competition in rural areas embodied by federal statutes.<sup>16</sup> To argue otherwise is essentially a collateral attack on these statutes and rules, and this proceeding is an improper forum to make such arguments.

For the above-stated reasons, Western Wireless respectfully requests that the Commission approve the Petition or take no action and allow the Petition to become effective.

DATED this 4th day of October, 2002.

Respectfully Submitted,

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<sup>11</sup> See generally, COPUC Docket No. 01R-434T, *In the Matter of the Proposed Amendments to the Rules Concerning the Colorado High Cost Support Mechanism*, 4 CCR 723-41, and the Rules Concerning Eligible Telecommunications Carriers, 4 CCR 723-42.

<sup>12</sup> 4 CCR 723-41 and 42. For a discussion of the changes, see COPUC Disaggregation Decision.

<sup>13</sup> *Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking*, 16 FCC Rcd 11244 (2001).

<sup>14</sup> COPUC Disaggregation Decision, WWC ETC Decision.

<sup>15</sup> 4 CCR 723-41 and 42.

<sup>16</sup> 47 U.S.C. § 214(e).